



**Roland W. Burris**

Comptroller  
State of Illinois

August 14, 1981

201 State House  
Springfield, Illinois 62706  
217/782-6000

PAYROLL BULLETIN  
(4-81)

TO: All State Agencies, Departments, Boards, Commissions  
and Universities

SUBJECT: Revised W-4 Procedures

The Office of the Comptroller will be proposing rules which will require that effective January 1, 1982 all State agencies must have on file within their agency, a current form W-4 (Comptroller form C-25.1) for all active employees. Also, forms W-4 for terminated employees must be maintained for a period of at least 4½ years. The purpose of this exposure bulletin is to determine whether this procedure will cause you any major problems. Please send your responses no later than August 31, 1981 to Mr. Daniel Steven or Ms. Etta Minter, Payroll Unit, Office of the Comptroller, 325 West Adams Street, Springfield, Illinois 62706. Mr. Steven or Ms. Minter can be reached at (217)782-4758.

Effective immediately, please begin using form C-25.1 and discard your old unused W-4 forms C-25 and C-26. Forms C-25.1 can be obtained from our office.

I call your attention to payroll bulletin 5-80 dated December 10, 1980. This bulletin details the proper completion of form C-25.1. Please read it carefully. An improperly completed form is an invalid form. If an employee refuses to complete a form, he should have tax withheld at the same rate as a person claiming a marital status of single and exemptions of zero. Likewise, if a form is completed improperly, withholding should be at this rate until the form is properly completed. Agencies should not accept withholding statements on which the employee has made any attempt at altering the form or its contents.

If you have any questions regarding this bulletin, please contact Ms. Minter or Mr. Steven at the above address.

Sincerely,

Larry D. Roth  
Director - State Accounting



ILLINOIS REGISTER  
OFFICE OF THE COMPTROLLER

TEXT OF PROPOSED RULES

TITLE I  
ARTICLE XIII

Comptroller's Rules Prescribing the Retention of Tax Withholding  
Exemption Certificates

Statutory Authority Pursuant to the authority granted the Comptroller in Sections 12 and 21 of the State Comptroller Act (Ill. Rev. Stat., 1979, ch. 15, pars. 212 and 221), these Rules are promulgated to ensure that State agencies maintain adequate documentation of the reasons for and the amount of deductions from their employees for taxes, as certified on the payroll vouchers.

Rule 13.01 Effective January 1, 1982, all State agencies shall have on file for all active employees a current (Federal tax) Employee's Withholding Exemption Certificate and an Employee's Illinois Exemption Certificate, maintained on the Comptroller's Form C-25.1 or a Comptroller approved equivalent. This information maintained by the State agencies must be consistent with amounts directed to be withheld on payroll vouchers.

Where an employee fails or refuses to submit a properly completed withholding certificate, the State agency must compute the employee's tax withholding as if his marital status is single, claiming zero exemptions. Agencies may not accept withholding certificates on which the employee has made any attempt at altering the form or its contents.

For the purposes of these Rules, the term "State agencies" means any department, institution, board, commission, office, court or any agency of the State having the power to certify payrolls to the State Comptroller authorizing payments of salary or wages against State appropriations, or against trust funds held by the State Treasurer.

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TEXT OF PROPOSED RULES

Rule 13.02

In addition to the requirements of Rule 13.01, for each new employee and for each employee making any changes on their withholding certificates (Form C-25.1), the agency must provide a duplicate of the withholding exemption certificate to the Comptroller. For employees claiming exempt from tax for a given calendar year, and who wish to maintain such exempt status for the next year, the agency must receive a new withholding exemption certificate from the employee and provide a duplicate to the Comptroller by April 30 of the next calendar year. An employee failing to file the required annual exempt status withholding statement will have his withholding computed as if he were single, claiming zero exemptions.

Rule 13.03

State agencies must maintain the last effective (Federal tax) Employee's Withholding Exemption Certificate and the Employee's Illinois Exemption Certificate for employees no longer employed by the agency for a period of 4½ (four and one-half years).